

SECRET

DFD-0992-59

9 February 1959

MEMORANDUM FOR: Audit Liaison Officer

SUBJECT : Contract No. SE-505  
The Fireweel Company, Inc.

1. The subject contract provides for services of engineers and technicians within the continental limits of the United States. The contract was effective for the period 15 February 1956 through 30 June 1957.

2. Invoices were processed for payment against the Letter Contract until the Definitive Contract was issued on 28 February 1957. The Letter Contract did not have weekly or hourly rates specified. These were established in the Definitive Contract as follows:

Permanent Assignment \$206.20 - weekly rate

Temporary Assignment \$ 8.98 7 - hourly rate  
\$ 8.32

The invoices processed against the Letter Contract were never adjusted to reflect the fixed weekly or hourly rates. The definitive contract provided for reimbursement of the following:

- (a) Reasonable cost of quarters and messing if none are provided by the Government and if no per diem allowance in lieu of quarters and messing is paid directly to or for such personnel by the Government.
- (b) Actual and reasonable travel and transportation costs.
- (c) Actual and reasonable costs for medical and dental examinations, inoculations, special insurance and passport photographs for its personnel who may be assigned overseas under a separate contract.

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3. The contractor was paid from 1956 funds a total of \$29,861.46 and \$4,241.94 from 1957 funds or a total of \$34,103.40. It has been determined that services were rendered as billed and certain test equipment was delivered as billed for. The following invoice numbers apply.

|       |           |       |
|-------|-----------|-------|
| 22084 | 23756     | 27656 |
| 22152 | 24059     | 27652 |
| 22369 | 24403     | 27654 |
| 22598 | 24826     | 27655 |
| 22784 | 25039     | 25467 |
| 23090 | 1405(Cr.) |       |
| 23423 | 25431     |       |


4. The contractor was required to travel to Los Angeles. From Burbank, California the employees were supplied transportation to the site and return by the Government. Although the Government furnished room and board for Hycon, L.A.C., R.W. and Westinghouse personnel, this was not directly furnished as such to The Firewal Company's employees. The Government subsidized facilities and services were available, however, to said employees at a charge of \$1.00 per meal and .50 a day for room.

5. In light of these facts, it is requested that you check the contractor's records, with special attention to any payments of per diem or room and board which might not be compatible with paragraph 4 above, and advise as to the amount you feel is allowable under this contract.

  
Contracting Officer, DPD-DD/P

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CONCUR:

  
Comptroller, DPD-DD/P

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Distribution:

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